

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST RECOVERY)	
FILING OF GASCO DISTRIBUTION)	CASE NO. 2002-00426
SYSTEMS, INC.)	

O R D E R

On February 11, 1995, in Case No. 1994-00427, the Commission approved rates for Gasco Distribution Systems, Inc. (Gasco) and provided for their further adjustment on a quarterly basis in accordance with Gasco s gas cost adjustment (GCA) clause.

On November 25, 2002, Gasco filed its GCA to be effective January 1, 2003. On December 10, 2002, Gasco revised its filing.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Gasco's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Gasco's expected gas cost ("EGC") is \$7.5766 per Mcf, an increase of \$3.1339 per Mcf from its previous EGC of \$4.4427.
3. Gasco s notice sets out no current quarter refund adjustment.
4. Gasco s notice sets out a current quarter actual adjustment (AA) of 26.16 cents per Mcf to collect under-recovered gas costs from April, May and June 2002. Gasco s notice sets out a total AA of \$1.0309 per Mcf, which is 26.16 cents per Mcf more than the previous total AA.
5. Gasco s notice sets out no balance adjustment.

6. Gasco's GCA is \$8.6075 per Mcf, which is \$3.3955 per Mcf more than the previous rate of \$5.2120.

7. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered by Gasco on and after January 1, 2003.

IT IS THEREFORE ORDERED that:

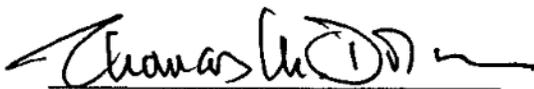
1. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered by Gasco on and after January 1, 2003.

2. Within 20 days of the date of this Order, Gasco shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 20th day of December, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00426 DATED December 20, 2002

The following rates and charges are prescribed for the customers served by Gasco Distribution Systems, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
Residential	\$4.62	\$8.6075	\$13.2275
Commercial	\$3.62	\$8.6075	\$12.2275